



# Turkey and Iran: Bitter Friends, Bosom Rivals

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## I. Overview

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For nearly two centuries and despite their fierce geopolitical competition from the Levant to Iraq and the Caucasus, Turkey and Iran have kept the peace between themselves, compartmentalised growing energy and commercial relations and even cooperated regionally when their interests converged. Yet today, while their economies are increasingly intertwined, a profound disagreement over core interests in Iraq and Syria is putting these two former empires on a collision course. It is not too late for a critically needed reset, but only if both recognise their fundamental interest in reversing course and taking steps that allow them to manage their differences peacefully, as they have done for almost 200 years.

Overlapping ethnicities and cultures can at times make the two countries seem like two sides of the same coin, but Iran is a leading regional proponent of both Shi'ite Islam and theocratic governance, while Turkey's secular constitution is built on a bedrock of Sunni Islamic practice. As their officials and diplomats attest, Turkey and Iran generally concur on the strength of the relationship they have carefully nurtured during a long history of cohabitation. Since the upheavals that have swept across the Middle East and North Africa from 2011, however, frictions have increased over what each sees as the other's hostile manoeuvring in two countries of critical importance to both: Iraq and Syria. Their inability to accommodate each other has the potential to undermine or even undo their strong ties.

Both have empowered local partners and proxies on the battlefields of Mosul, Tel Afar, Aleppo and Raqqa that are forcefully positioning themselves to control whatever emerges from the debris of today's wars. Though both have attempted to build on shared interests – defeating or at least marginalising Islamic State (IS) and curbing the rise of autonomy-minded Syrian Kurds – deep suspicions about the other's ambitions to benefit from the chaos have stopped them from reaching an arrangement that could lower the flames. The dynamics instead point toward deepening sectarian tensions, greater bloodshed, growing instability across the region and greater risks of direct – even if inadvertent – military confrontation between them where their spheres of influence collide. The possibility that an Iranian-made drone killed four Turkish soldiers in northern Syria on 24 November 2016, as Ankara alleges, points toward perilous escalation.

To reverse course and avoid worse, they need to overcome mutual mistrust. To this end, and as a pressing priority, they should establish a channel for continuous

high-level negotiations over their regional postures. The pace of such meetings as have been held has been problematic: periodic senior encounters lasting one or two days, followed by relatively long periods of diplomatic vacuum that tend to be filled with escalation of proxy wars and one-upmanship. President Recep Tayyip Erdoğan of Turkey and Supreme Leader Ali Khamenei of Iran should designate personal representatives with the authority to manage the diplomatic channel.

If they do this, and to demonstrate seriousness and goodwill, the governments should also take confidence-building steps, from more intelligence cooperation to coordinated de-escalation where conflict is most acute. In northern Iraq, Iran might thus offer as a first step to rein in Shiite militias deployed in Ninewa governorate, even as units nominally accountable to the Iraqi prime minister in his capacity as commander-in-chief, in return for Turkey agreeing to withdraw its tanks and other heavy weapons from the area. Confidence-building measures, if well executed, could pave the way for agreed principles of good neighbourliness, mutual recognition of each other's core interests and legitimate security concerns in the region and an articulation of clear red lines with respect to actions each deems hostile.

The U.S. and Russia, which have strong military ties with Turkey and Iran respectively, as well as in each case disagreements and conflicting interests, should support such steps. For now, Turkey and Iran remain caught in the web of Russia-U.S. relations, manoeuvring to create space for autonomous decisions; they will be able to succeed only to the extent they find a way to work together.

De-escalation and increased Ankara-Tehran cooperation are necessary but insufficient to resolve the metastasising, intersecting crises involving many actors and heightened sectarian passions. Even getting to that point would be hard. Electoral calendars in both countries and the imperatives of domestic politics and balancing ties with regional partners wary of a rapprochement could hinder progress. But the effort would be important and should be pursued; it could at least help reduce the sectarian tensions fanned by unhelpful rhetoric from both leaderships.

Only by finding common ground can Turkey and Iran contribute to a more stable and secure region. The alternative – crystallised in the zero-sum dynamic that marks Iran's relations with the region's other major Sunni power, Saudi Arabia – is even greater disorder and suffering.

## II. The Region's Siamese Twins

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Turkey and Iran have long competed for hegemony in their shared neighbourhood, particularly the Levant and Iraq (this briefing's focus), but since the last full-scale Ottoman-Persian war (1821-1823), they have maintained largely peaceful relations.<sup>1</sup> The competition outlived their transformation from empires to nation-states, escalating at times of tectonic geostrategic shifts, such as the Soviet Union's collapse, which opened new space for rivalry in the Caucasus and Central Asia, the break-up

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<sup>1</sup> The Persian Sassanid (224-651) and Roman Byzantine (330-1453) empires and their eventual inheritors, the Safavids (1501-1736) and Ottomans (1299-1923), fought repeatedly for control of Mesopotamia, which today is mainly Iraq and Syria. See Walter Emil Kaegi, *Heraclius, Emperor of Byzantium* (Cambridge, 2003); Stephen Dale, *The Muslim Empires of the Ottomans, Safavids, and Mughals* (Cambridge, 2009). The 532-km border between Iran and Turkey emerged from a 1932 treaty that reflected, with minor adjustments, the frontier delineated in 1869.

of Yugoslavia and the U.S. invasions of Afghanistan and Iraq. Most recently, the 2011 Arab uprisings gave both countries, posing as champions of the popular movements, an opportunity to remake the region according to their own interests.<sup>2</sup>

As two of the region's strongest non-Arab states, with similar geographic and demographic sizes and tradition of statehood, Turkey and Iran have not perceived one another as an existential threat. Yet, their myriad social, political, religious and ethnic differences have often pitted them against each other, as has geostrategic orientation, particularly Turkey's ties with the U.S. and Israel and Iran's hostility toward both.<sup>3</sup> However, they also share deep historic, cultural and economic ties. Over the past two decades, their economies have become increasingly intertwined. Iran supplies nearly a fifth of Turkey's oil and natural gas; Turkey is its neighbour's gateway to Europe, with more than a fifth of Iran's land trade transiting its territory. This link became a lifeline for Iran during its most vulnerable recent periods, the 1980-1988 war with Iraq and the peak of nuclear sanctions in 2011-2013.<sup>4</sup>

With Iran's economy unburdened from nuclear-related sanctions due to the 2015 nuclear accord, both countries appear committed to boosting their nearly \$10 billion bilateral trade, while fencing off their geostrategic differences.<sup>5</sup> But ability to do so is likely a function of two other factors: common concerns over Kurdish separatism and conflicting interests in shaping the political order in Iraq and Syria. The former might draw them closer, the latter could drive them further apart – while uncertainty over the fate of the nuclear deal under the incoming U.S. administration, which appears keen on curbing Tehran's regional influence, underlines their economic link's vital importance and casts a shadow over their overall relationship.

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<sup>2</sup> Bayram Sinkaya, "Rationalization of Turkey-Iran Relations: Prospects and Limits", *Insight Turkey*, vol. 14, no. 2 (2012), pp. 137-156. "Khamenei hails 'Islamic' uprisings", *Al-Jazeera*, 4 February 2011; "Erdoğan pitches Turkey's democratic model on 'Arab Spring' tour", *Christian Science Monitor*, 16 September 2011.

<sup>3</sup> Turkey has spent most of the past century writing European laws into its statute books in support of explicitly republican, secular constitutions, while Iran has experienced first absolute monarchy and then theocratic rule. Nearly a quarter of Iran's population are ethnic Azeris, who speak a Turkic mother tongue. "Iran: NATO radar in Turkey serves to protect Israel", *Associated Press*, 5 October 2011; "Leader's advisor: Iran should reconsider relations with Turkey", *Mehr News*, 28 April 2016.

<sup>4</sup> According to Turkey's Petroleum Pipeline Corporation (BOTAS), Iran is Turkey's main gas provider after Russia, some ten billion cubic metres annually, while after Iraq, Iran is Turkey's largest oil supplier. "Sector Report", 2015. Between March 2014 and March 2015, more than 110,000 trucks carried goods through the Bazargan border post, compared to nearly 45,000 crossing Iran's border with Afghanistan during that period. "2014-2015 Annual Report", *Iran Road Maintenance and Transportation Organisation*. A senior Turkish diplomat said, "the phrase we hear the most when visiting Tehran in the aftermath of the nuclear deal is, 'we never forget the friends who stood by us during tough times'". Crisis Group interview, Ankara, 5 April 2016.

<sup>5</sup> Data from Turkish Statistical Institute. "Iran and Turkey aim to triple trade to \$30 billion", *Agence France-Presse*, 5 March 2016. "Turkey's Unit International says agrees \$4.2 billion deal to build Iran power plants", *Reuters*, 4 June 2016; "Turkey says it wants to buy more gas from Iran", *Radio Free Europe/Radio Liberty*, 12 August 2016; "Turkey to establish exclusive industrial park in Iran", *Tehran Times*, 26 October 2016. Bilateral trade peaked at \$21.9 billion in 2012, mostly from a twelve-fold increase in Turkish gold exports. Onur Ant, "Iran, secret gold and the mystery trade boosting Turkish exports", *Bloomberg*, 13 April 2015. Crisis Group interviews, Mohammad Ebrahim Taherian, Iran's ambassador to Turkey; Mesut Özcan, director, Diplomatic Academy, Turkish foreign ministry, both Ankara, 4 April 2016.

### A. *Shared Fears*

Turkey and Iran – home to, respectively, the region’s largest and second-largest Kurdish populations – fear Kurdish separatist sentiments.<sup>6</sup> The Kurdistan Workers’ Party (PKK) has fought an insurgency in Turkey since 1984 that has cost nearly 40,000 lives. The conflict’s latest stretch, since the collapse of peace talks in July 2015, has been particularly bloody, devastating large parts of south-eastern Turkey.<sup>7</sup> Iran, too, has long faced off with Kurdish insurgent movements, but their rebellions have been scattered and transient.<sup>8</sup> The Kurdish Democratic Party of Iran (KDPI) mounted an armed uprising in the aftermath of the 1979 Islamic revolution that was suppressed in 1982. The KDPI and another group, Komalah, continued low-level insurgency until 1996, when they put down their arms. In 2004, a new group, the Party for a Free Life in Kurdistan (PJAK), that followed the PKK’s leadership and ideology emerged, but in 2011 it, too, opted for a ceasefire which, despite occasional clashes, still holds.

In mid-2016, Iran experienced an apparent, perhaps short-lived, revival of the largely dormant insurgency in its Kurdish region.<sup>9</sup> It is possible that some of the attacks were instigated by regional rivals such as Saudi Arabia as retaliation against perceived Iranian meddling in their backyards.<sup>10</sup> It is also unclear whether the groups involved have enough support in Iran or among their hosts in northern Iraq, where they have been based, to sustain the fight.<sup>11</sup> Meanwhile, the government has taken corrective measures in response to the Kurdish region’s longstanding demands for investment, economic development and mother-tongue education.<sup>12</sup>

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<sup>6</sup> An estimated eighteen and ten million Kurds reside in Turkey and Iran respectively.

<sup>7</sup> Crisis Group Europe Briefing N°80, *The Human Cost of the PKK Conflict in Turkey: The Case of Sur*, 17 March 2016. According to Crisis Group’s open-source database on the Turkey-PKK conflict, [www.crisisgroup.be/interactives/turkey](http://www.crisisgroup.be/interactives/turkey), between 20 July 2015 and 2 December 2016 some 816 state security force members, 986 PKK militants and 372 civilians were killed, predominantly in Turkey’s south-eastern provinces.

<sup>8</sup> The only independent Kurdish state to date was established in Iran in 1946, the “Mahabad Republic”, with the Soviet Union’s support. It collapsed in less than a year. William Eagleton, Jr, *The Kurdish Republic of 1946* (London, 1963).

<sup>9</sup> Declaring a new armed uprising after nearly two decades, the KDPI clashed on at least nine occasions with Iranian Revolutionary Guards in 2016. PJAK and another leftist Iranian Kurdish group, the Kurdistan Freedom Party (PAK), each clashed six times. Iran often responded by shelling border areas within Iraq’s Kurdistan region. “Iran shelling Kurdistan Region’s northeastern border”, *Rudaw*, 17 September 2016.

<sup>10</sup> Iranian national security officials and PKK leaders say they believe Saudi Arabia has resuscitated the KDPI as part of its intensifying proxy war with Iran. Crisis Group interviews, Tehran, May 2016; Qandil, June 2016.

<sup>11</sup> Data on the participation rate in Iran’s 2016 parliamentary elections can be used as a barometer of separatist movements’ lack of support. The rate in Kermanshah and Kurdistan, Kurdish-majority provinces, was 60 and 53 per cent respectively, both higher than Tehran’s. Occasionally, local grievances spark protests in Iran’s Kurdish regions, but these tend to peter out quickly. “Violent protest hits Kurdish city in northwest Iran”, *Al Jazeera*, 8 May 2015. Jhilwan Qazzaz, a Kurdistan Regional Government (KRG) spokesman said, “we do not want KRG territories to be used by any group to threaten the security of our neighbouring countries. This is a very clear stance of KRG, and all, with KDPI included, are informed of this”. “Kurds step up attacks as cold war with Iran threatens to spark”, *Middle East Eye*, 16 September 2016.

<sup>12</sup> The Rouhani administration inaugurated one of Iran’s largest petrochemical complexes in Mahabad and authorised mother-tongue education in the region’s schools and universities. “Rouhani

In dealing with pan-Kurdish nationalist sentiment, Iran and Turkey have often cooperated, but they have been at loggerheads for the past five years.<sup>13</sup> In Iraq, Ankara has supported Masoud Barzani, the Kurdistan Regional Government's (KRG) president and leader of the Kurdistan Democratic Party (KDP), despite his push for a statehood referendum. Tehran backs Barzani's rival, Jalal Talabani's Patriotic Union of Kurdistan (PUK), the Movement for Change (Gorran) and the PKK, which has expanded its presence in northern Iraq, including Sinjar and south of Kirkuk.

In northern Syria, too, they have backed different Kurdish groups. Though an empowered PKK and its affiliates theoretically pose a threat to both, the extensive territorial gains made by the PKK-affiliated Syrian Democratic Union Party (PYD) and its military wing, the People's Protection Units (YPG), that run directly counter to Turkish interest have occurred with Iran's implicit consent in support of the Syrian regime.<sup>14</sup> Officials in Ankara say these gains embolden the PKK by giving it logistical and operational support for attacks in Turkey, cutting off Turkey from the Arab world and paving the way for creation of an autonomous statelet in northern Syria, which the PKK and its local affiliates call "Rojava" (Western Kurdistan).<sup>15</sup>

Turkey has backed the Kurdistan National Council (KNC), a coalition of twelve small Syrian Kurdish parties with close ties to Iraqi Kurdish parties, as a counterweight to the PYD; encouraged the KDP to control the border between Iraqi and Syrian Kurdistan, the PYD's lifeline to the outside world; and intervened militarily in northern Syria in August 2016: Operation Euphrates Shield aimed to prevent the YPG from connecting its two eastern cantons, Jazeera and Kobani, with Afrin, its third, non-contiguous canton north west of Aleppo, drive IS from the border and create a zone sufficiently safe to absorb part of Syria's displaced population.<sup>16</sup>

In support of the Syrian government's position prioritising the fight against anti-regime rebels and seeking to deter Turkey from supporting them, Iran over the past five years has engaged the PYD's leadership and even encouraged the group's territorial expansion to deny those areas to the armed opposition.<sup>17</sup> But the PYD's ties with

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unveils 'largest industrial complex' in western Iran", Mehr News, 31 May 2016; "آموزش زبان‌های محلی" ["Education in Kurdish and Turkish at local schools"], *Iran*, 1 June 2016.

<sup>13</sup> Between 1991 and 2003, the two, along with Syria, consulted closely to prevent emergence of an autonomous Kurdish region in Iraq. For more background, see Elliot Hentov, *Asymmetry of Interest: Turkish-Iranian Relations since 1979* (Saarbrücken, 2012). In 1998, Iran mediated between Turkey and Syria, which were on the verge of military confrontation over the latter's sheltering of PKK leader Abdallah Öcalan and his fighters. Mahmut Bali Aykan, "The Turkish-Syrian Crisis of October 1998: A Turkish View", *Middle East Policy*, vol. 6, no. 4 (June 1999), p. 178.

<sup>14</sup> Beşe Hozat, co-chair of the Union of Communities in Kurdistan (Koma Civakên Kurdistan, KCK), an umbrella organisation with PKK affiliates in Turkey, Iran, Iraq and Syria, said, "when ten to twenty million Kurds in Turkey and Iran see that four million in Syria rule themselves with dignity, they would want the same privilege". Crisis Group interview, Qandil, 26 June 2016.

<sup>15</sup> Crisis Group interviews, Turkish diplomats and security officials, Ankara, April-August 2016.

<sup>16</sup> Selcan Hacaoglu, "Erdoğan plans Syrian 'safe zone' as military campaign widens", *Bloomberg*, 19 September 2016.

<sup>17</sup> Salih Muslim, the PYD's co-chair, has visited Iran several times in the past few years. Crisis Group interviews, Iranian officials, Tehran, March-May 2016. A former Revolutionary Guard member with recent Syria experience said, "we don't need to provide material support to the PYD-YPG, but we facilitate dialogue and cooperation between Damascus and Syrian Kurds in the fight against common foes [IS and the Turkish-backed armed opposition]". Crisis Group interview, Tehran, September 2016. In July 2012, the PYD-YPG quickly took over Kurdish areas in northern Syria without a regime effort to recapture them. Since then, it has largely engaged Damascus in a conciliatory, non-confrontational manner, while steadily expanding its territorial control at the expense of rebel and

the U.S. and Russia and its declaration of a federal system in the territory under its control in March 2016 appear to have transformed Tehran's perception of the group from a tactical ally to a potential strategic threat.<sup>18</sup> An Iranian national security official commented: "Self-rule is contagious. An autonomous Kurdish region [in Syria] will trigger the fragmentation of Iran, Iraq, Syria and Turkey, replacing major regional states with an archipelago of weak statelets".<sup>19</sup> Another Iranian official added a crucial nuance:

Iran is concerned about the possibility of a Kurdish state, but it isn't threatened by the Kurdish issue, given the deeper integration of Iranian Kurds in our society. As such, Iran agrees with Turkey in opposing a Kurdish state, but fundamentally disagrees with Turkey's approach towards its Kurds.<sup>20</sup>

Turkey is alarmed by what it perceives as collusion between Iran and the PKK, of which Tehran's tolerance of PYD-YPG activities is only a part.<sup>21</sup> Both Iranian and PKK officials deny direct cooperation. "It is impossible for the PKK to cooperate with a country that does not respect Kurdish rights", Cemil Bayık, a senior PKK leader, said. "But neither Iran nor the PKK wants to open a new front now", he added, "as this would divert attention from more important priorities in Iraq and Syria and entail serious domestic implications: reactivation of PJAK in Iran and KRG pressure on the PKK presence in Iraq".<sup>22</sup>

Even if Iran and the PKK share a short-term tactical interest in defeating IS while consolidating ties with partners and affiliates in Iraq and Syria, their long-term interests do not align. The former seeks to preserve the existing order; the latter strives to overturn it to carve out a Kurdish state. Territorial gains, U.S. and Russian support and the weakness of their traditional Syrian and Iraqi antagonists have given

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jihadi groups. For more on PYD-Syrian regime dynamics, see Crisis Group Middle East Report N°151, *Flight of Icarus? The PYD's Precarious Rise in Syria*, 8 May 2014.

<sup>18</sup> "Kurds declare 'federal region' in Syria, says official", *Wall Street Journal*, 24 March 2016.

<sup>19</sup> Crisis Group interview, Tehran, April 2016. Many in Tehran see a U.S. conspiracy, though the U.S. has tried to keep Iraq a unitary state and prevented the PYD from connecting the Syrian territories it controls. A senior Iranian diplomat described the prevalent perception in the leadership: "The pattern in Syria has an air of déjà vu. Following the Iraqi Kurdistan model, the U.S. is first supporting [Syrian] Kurds' territorial gains, then ensuring their access to energy resources that would fuel their arms purchases from the U.S., followed by fostering close military and intelligence links between them and the Israelis, and eventually supporting their bid for independence". This, he said, "must be nipped in the bud". Crisis Group interview, Tehran, May 2016.

<sup>20</sup> Crisis Group interview, Berlin, November 2016.

<sup>21</sup> For more than two decades, Turkey has accused Iran of using the PKK to pressure it. Officials trace the new phase of Iran's entente with the PKK to 2011, when they allege the latter agreed to restrain PJAK in return for more manoeuvring space in northern Iraq and Syria. Crisis Group interviews, Turkish security official, Ankara, April 2016; senior Turkish diplomat, Ankara, June 2016. "Iran, Kandil'e bayrak dikti" ["Iran planted a flag in Qandil"], *Milliyet*, 25 August 2015. PJAK's 2011 ceasefire exacerbated Turkish-Iranian mistrust. After Turkey shared intelligence on the location of PKK leader Murat Karayılan's sanctuary, his escape and withdrawal of PJAK fighters from Iran's border along the Qandil mountain range deepened Turkish suspicions of Iran's ties with the PKK. "Karayılan'ı İran Kurtardı" ["Iran saved Karayılan"], *Sabah*, 20 August 2011.

<sup>22</sup> Crisis Group interview, Qandil, 26 June 2016. Bayık's official title is co-chair of the Union of Communities in Kurdistan (Koma Civakên Kurdistan, KCK). Echoing the same view, an Iranian Revolutionary Guard strategist said, "we consider the PKK a terrorist organisation and a threat, but both Iran and the PKK have bigger fish to fry at the moment". Crisis Group interview, Tehran, May 2016.

the PKK and its affiliates confidence that any Turco-Iranian collusion against them could be neutralised.<sup>23</sup> That confidence may well be inflated, and their pursuit of further territorial objectives could put them on a collision course with Turkey and Iran if and when IS is dislodged from the places it currently holds.

### B. *Mutual Mistrust*

Despite their long relationship, Turkey and Iran harbour deep mutual mistrust. Suspicions are evident even in the bilateral economic realm.<sup>24</sup> They are particularly acute, however, regarding regional manoeuvring: each views the other as seeking hegemony, if not to recapture lost glory, through violent proxies. Iran decries Turkey's active support of the opposition in its attempt to bring down the Syrian regime, thus endangering Iran's strategic link with Hizbollah in Lebanon, and accuses it of supporting Sunni jihadist groups in Syria and allowing IS recruits to transit its territory on their way to Syria and Iraq. Turkey is alarmed by what it sees as Iranian support for the PKK and its affiliates in carving out an autonomous zone on its border with Syria, and by the actions of these same groups and Iraqi Shiite militias in northern Iraq, once the Ottoman province of Mosul (Mosul Vilayet) and still viewed by Ankara as its "turf". It deems these developments a direct threat to the stability of its borders with Syria and Iraq and the area's Sunni inhabitants.

Tehran interprets Turkey's Syria policy as primarily a product of a neo-Ottoman ambition to regain clout and empower pro-Turkey Sunnis in territories ruled by its progenitor. "What changed in Syria [after 2011] was neither the government's nature nor Iran's ties with it", an Iranian national security official said, "but Turkish ambitions". Moreover, Iran blames Ankara for not stemming the flow of Salafi jihadists through Turkish territory into Syria and for giving them logistical and financial support.<sup>25</sup>

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<sup>23</sup> Referring to August 2016 clashes between Syrian government forces and the YPG in northern Syria, Ilham Ahmed, a PYD official, noted emergence of a "new concept" agreed by Turkey, Iran and Syria, though "it isn't fully clear whether this is strategic or tactical". Quoted by ANF News, 23 August 2016. Cemil Bayık said, "the days of the [1975] Algiers' accord [that settled an Iran-Iraq border dispute and resulted in Tehran ending support for Iraqi Kurds, allowing their suppression by the Saddam regime] are over. The West needs the Kurds ... against IS and understands that both Iran and Turkey have played an unconstructive role". Crisis Group interview, Qandil, 26 June 2016. Zohra Ramishti, a female fighter in Iraq with the Iranian-Kurdish leftist Kurdistan Freedom Party (PAK), said, "when we finish here [in Iraq], we will continue our fight for Rojhelat [the Kurdish term for eastern Kurdistan]". Quoted in Kim Deen, "First IS, then Iran: Kurdish-Iranian leader has eyes on ultimate goal", Middle East Eye, 1 October 2016; Ali Hashem, "Iranian Kurds fighting IS in Iraq put Tehran on alert", Al-Monitor, 28 November 2016.

<sup>24</sup> In the mid-2000s, Iranian authorities annulled major contracts with Turkey's TAV Airports Holding and TurkCell communications that threatened vested interests of powerful stakeholders in Iran. The two also bitterly disputed the price of Iran's natural gas exports. "Turkey wins gas price row against Iran in court", *Hürriyet*, 2 February 2016. A preferential trade deal, ten years in negotiation, was widely criticised in Iran as undermining domestic industries in 2015. "بررسی توافقنامه تجارت" ["Assessing Preferential Trade Agreement between Turkey and Iran"], Iranian Parliament's Research Centre, March 2015. A senior Turkish official said, "when Iranians complain Turkey is not as eager as Europeans to reengage after the nuclear deal, I tell them: 'We've been there, done that, and good luck!'" Crisis Group interview, Ankara, April 2016.

<sup>25</sup> Crisis Group interviews, Iranian officials, Tehran, Istanbul, March-August 2016. A senior Iranian diplomat said, "Erdoğan thought that instability in the region was a once-in-a-lifetime opportunity to mould the region in Turkey's image, empower the Muslim Brotherhood and rebuild the Ottoman

In the same vein, officials in Ankara contend that Iran seeks to resuscitate the Persian Empire – this time with a Shiite streak – and to do so in formerly Ottoman territories. In March 2015, President Erdoğan accused Iran of fighting IS in Iraq “only to take its place”.<sup>26</sup> Turkey also says that Iran’s mobilisation of Shiite militias from across the region to protect the rule of a minority sect, the Alawites, over a majority-Sunni population in Syria has deepened sectarian tensions, providing Sunni jihadists with a potent recruitment tool.<sup>27</sup>

In trading accusations, each decries the other’s refusal to acknowledge its view of reality, while neglecting that each has acted in ways for which it faults the other: use of hard power and support for non-state actors. Attempts to build on common ground have failed because of suspicions, misperceptions and miscalculations. In September 2013, the new government of President Hassan Rouhani floated an initiative to resolve the Syrian crisis. Foreign Minister Javad Zarif presented what he said was a plan developed with the commander of the Revolutionary Guard Corps’ elite Quds Force, Qasem Soleimani, to his Turkish counterpart, Ahmet Davutoğlu.<sup>28</sup> Several months of shuttle diplomacy yielded no results, Zarif said:

We agreed on every detail, except a clause in the final phase of the plan which called for UN-monitored elections. Turkish leaders wanted Assad barred .... I noted that this should not be a concern in an internationally monitored election, particularly if, as Turkey holds, Assad has a dreadful record and a minority constituency. But Davutoğlu refused ..., and our efforts came to naught.<sup>29</sup>

Turkish officials could not fathom Assad agreeing to lead a transition that would result in his ouster.<sup>30</sup> More importantly, they calculated that military dynamics and time were in their favour. Abdullah Gül, the then president, later said, “our government did not pursue an agreement with Iran because it thought Assad would be

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Empire – without realising that empire building is not as easy as building hotels and shopping malls across the region”. An Iranian diplomat said, “Just take Ahrar al-Sham, Turkey’s favourite jihadist group. They work with al-Nusra Front, which is al-Qaeda, and want to establish a Taliban-like system in Syria; but Turkey still maintains they are mainstream and reasonable alternatives for Syria’s future”. “Turkey, Jordan aid Syria-bound ‘terrorists’: Iran”, Agence France-Presse, 13 July 2012. “رضایبی: ایران اسناد فروش نفت داعش به ترکیه را در اختیار دارد.” [“Rezaei: Iran possesses documents on IS oil sales to Turkey”], IRNA.ir, 4 December 2015.

<sup>26</sup> Crisis Group interviews, Turkish officials, Ankara and Istanbul, March-August 2016. “Turkey’s Erdoğan says can’t tolerate Iran bid to dominate Middle East”, Reuters, 26 March 2015.

<sup>27</sup> Crisis Group interviews, Turkish diplomats and security officials, Ankara, April, June 2016. Crisis Group has written: “Contrary to conventional wisdom, Syria’s is not an Alawite (an offshoot of Shiism) regime, and that community hardly lives in opulence. But it is a regime thanks to which the Alawites overcame their second-class status and escaped a history of harassment and massacres”. Middle East Report N°128, *Syria’s Mutating Conflict*, 1 August 2012.

<sup>28</sup> Crisis Group interviews, Javad Zarif, Iran’s foreign minister, Vienna, 19 November 2014; Revolutionary Guard Corps strategist, Tehran, May 2016. The plan outlined four steps: 1) ceasefire; 2) national unity government; 3) constitutional reform aimed particularly at constraining presidential powers; and 4) presidential and legislative elections under UN supervision. Hossein Amir-Abdollahian, “Iran’s four-part plan for a political solution in Syria”, Al-Monitor, 5 March 2014.

<sup>29</sup> Crisis Group interview, Vienna, 19 November 2014.

<sup>30</sup> Crisis Group interviews, former and current Turkish officials, Istanbul and Ankara, March-August 2016. Yusuf Burak Rende, foreign ministry deputy director for the Middle East, said moreover, “Turkey is not budging on Assad, because even if we did, the opposition will never accept Assad remaining in power”. Crisis Group interview, Ankara, 7 April 2016.

toppled in a few months”. From Ankara’s perspective, Assad’s battlefield losses would remove the need to compromise or at least improve a deal’s terms.<sup>31</sup>

After nearly three years of mutual escalation in Syria, a second chance for Turco-Iranian dialogue appeared following the July 2016 failed coup in Turkey. Iran’s swift support for Erdoğan led to a warming of ties and resumption of talks on Syria.<sup>32</sup> Turkish-Russian reconciliation, fuelled in part by YPG advances in northern Syria, probably also contributed to Ankara’s rethinking of its Syria policy.

This time, the parties put aside the most divisive, seemingly irreconcilable issue: Assad’s fate.<sup>33</sup> Tehran continued to insist that a swift transition away from Assad before stabilising the country would lead to state collapse and chaos that could only benefit Sunni jihadists. For Turkey, his departure remained, Ibrahim Kalın, chief adviser to Erdoğan, said, “the key symbolic and practical component of any acceptable transitional process”. They agreed to focus, however, on what political system (presidential or parliamentary) and power-sharing mechanism could work in a post-conflict Syria.<sup>34</sup> But after two high-level rounds, Turkey’s military intervention in northern Syria, Operation Euphrates Shield, disrupted the talks and exacerbated mistrust. Iranian officials expressed surprise Turkey had not notified them of the operation despite the presence of a senior Iranian official in Ankara the day before.<sup>35</sup> Turkey may have feared that Iran would tip off the YPG.

### III. Between Competition and Cooperation

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With each failure to find an accommodation, the context of Turkey’s and Iran’s rivalry has become more complex and disagreements more intractable. What they have in common in Syria is that neither can tolerate a divided country or complete disorder. What is critically important for Iran, however, is that whatever order there is preserves Syria’s geostrategic orientation as part of the “axis of resistance”: to project power into the Levant, generally, and to keep its strategic depth vis-à-vis Israel via

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<sup>31</sup> Crisis Group interviews, former President Gül, 10 May 2016; former Turkish official, Istanbul, March 2016; senior Turkish official, Ankara, April 2016.

<sup>32</sup> Crisis Group interviews, Iranian official, Ankara, August 2016; senior Iranian diplomat, New York, September 2016. An Iranian diplomat said it took the Iranian Supreme National Security Council’s crisis cell less than a half hour to conclude that “any alternatives to the status quo in Turkey would be worse for us”. Crisis Group interview, Ankara, August 2016. Mevlut Çavuşoğlu, Turkey’s foreign minister, said: “During the coup night, I did not sleep until morning; nor did my friend Javad Zarif. He was the foreign minister I talked to most, calling me five times during the night”. Quoted in “Iran’s foreign minister boosts ties during Ankara visit”, *Voice of America*, 12 August 2016.

<sup>33</sup> Describing the motivation behind Turkey’s deployment of forces in Syria, Erdoğan said, “we do not have an eye on Syrian soil. The issue is to provide lands to their real owners. That is to say we are there for the establishment of justice. We entered there to end the rule of the tyrant al-Assad who terrorises with state terror”. Quoted in “Turkey entered Syria to end al-Assad’s rule: President Erdoğan”, *Hürriyet*, 29 November 2016.

<sup>34</sup> Crisis Group interviews, Iranian national security officials and diplomats, Tehran, April-August 2016; Ankara, 16 June 2016; senior Iranian diplomat, New York, September 2016.

<sup>35</sup> An Iranian official said: “Iran’s deputy foreign minister was in Ankara one day before Euphrates Shield to discuss the situation in Syria. But his Turkish counterparts did not mention a word about the imminent offensive”. Crisis Group interview, New York, September 2016. “Iran foreign ministry calls on Turkey to quickly end Syria intervention”, *IRNA.ir*, 30 August 2016.

its link with Hizbollah, in particular. While Turkey would like to see Assad gone and a more inclusive Sunni-led order emerge in Damascus that would be friendlier, its absolute priority is to have a stable border and a curb on PKK-led Kurdish aspirations. Both seek to preserve Iraq's territorial integrity as well, but ensuring Shiite-majority rule is as critical for Iran as a more inclusive role for Sunnis in governance is for Turkey.

These objectives are not necessarily mutually exclusive, and interests in Syria at least are probably more closely aligned today than for five years. Both have increasingly focused on fighting IS and pushing back against the PYD's announcement of a federal system in the north that they fear could intensify centrifugal forces rending the country. They need dialogue, however, to accommodate differences in their priorities: containing the PYD-YPG for Turkey, saving Assad for Iran.<sup>36</sup>

For now, there are more reasons to believe the two will persist on their current path than change course. That Turkey sees Iran as increasingly encroaching on its historic sphere of influence, especially in and around the Aleppo and Mosul battlefields, exacerbates tensions. Having pushed IS out of the towns of Jarablous, al-Rai and Dabiq near the Turkish border between August and October, Syrian rebels backed by the Turkish army began to advance southwards to fulfil Erdoğan's pledge to clear a 5,000-sq. km zone in northern Syria. If they reach strategically important al-Bab east of Aleppo, held by IS but coveted by the YPG as a land bridge between its Kobani and Afrin cantons, they would come dangerously close to the Syrian army and Iranian-allied forces, as well, on the other side, to U.S.-backed, YPG-dominated Syrian Democratic Forces (SDF) north of Aleppo.<sup>37</sup> Turkey claiming that an Iranian-made drone killed four of its soldiers near al-Bab on 24 November is an ominous sign.<sup>38</sup>

Similar dynamics exist in Iraq. Turkey's insistence on a role for the proxy militia it has trained on its Bashiqa military base east of Mosul, the Sunni Arab al-Hashd al-Watani (also known as "Mosul Knights"), beside the Peshmerga of Barzani's pro-Turkish KDP in the operation to retake Mosul from IS triggered an Ankara-Baghdad war of words. Turkish officials contend that Baghdad's opposition to a Turkish role and presence in the north derives from its alliance with Tehran.<sup>39</sup>

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<sup>36</sup> Ibrahim Kaln, Erdoğan's chief adviser, said, "the national security threat ... from Kurdish separatism is more acute for Turkey than for Iran". Crisis Group interview, Ankara, 16 June 2016. A senior U.S. official said, "two years ago, Erdoğan had three priorities, in this order: Assad, Kurds, IS. Today it is Kurds, IS, Assad". Crisis Group interview, Washington, 29 June 2016.

<sup>37</sup> "Turkey 'obliged' to press on to Syria's al-Bab, Erdogan says", Reuters, 22 October 2016. Controlling al-Bab is critically important for Turkey as a means of blocking the YPG from connecting its cantons; its value to the Syrian regime is due to its proximity to the Aleppo theatre. A reported Syrian strike on Turkish forces near al-Bab on 24 November 2016 was presumably a warning shot, preceded by verbal warnings in Syrian government media. "Turkey blames Syrian government for deadly attack on Turkish soldiers", Middle East Eye, 24 November 2016.

<sup>38</sup> *Rudaw*, 7 December 2016. "Iran might have hit Turkish soldiers, Pentagon says", *Hürriyet*, 9 December 2016. An Iranian Revolutionary Guard Corps strategist said, "Turkey's understanding with Russia is that Turkish intervention in Syria will not extend beyond a depth of 12 km. Al-Bab is 30 km from the Turkish border. The deeper they go, the costlier it will become for them". Crisis Group interview, Tehran, December 2016.

<sup>39</sup> Tim Arango and Michael Gordon, "Turkey's push to join battle for Mosul inflames tension with Iraq", *New York Times*, 23 October 2016. Crisis Group interview, senior Turkish diplomat, Ankara, April 2016. The ruling Justice and Development Party's (AKP) deputy chairman, Yasin Aktay, said,

Meanwhile, Iran-backed Shiite militias (al-Hashd al-Shaabi) have indicated intent to push toward Tel Afar, an old Ottoman garrison town west of Mosul with a majority Turkmen population, ostensibly to prevent IS fighters from escaping toward the Syrian border. The prospect of Shiite militias entering Tel Afar alarmed Ankara, which deployed tanks and artillery in Silopi close to its border with Iraq to warn of intervention in case of reprisals against the city's Sunnis.<sup>40</sup> That provoked a harsh response from the Iraqi prime minister, who warned: "We do not want war with Turkey ... but if a confrontation happens, we are ready for it ... and will deal with [Turkey] as an enemy".<sup>41</sup> Ankara also sees Tehran's hand in the presence of PKK and YPG fighters in Sinjar, west of Mosul close to the Syrian border.<sup>42</sup> The view in Tehran is the opposite: Turkey is seen as seeking to create a Sunni-dominated federal region in northern Iraq with greater autonomy, as suggested by some Iraqi Sunni politicians close to Ankara, ostensibly to protect minority communities, in reality to counterbalance Iran's influence elsewhere in Iraq.<sup>43</sup>

That each side perceives the other in a zero-sum light provides further impetus for proceeding on the current course. Each appears determined to spoil the other's prospects. Ankara, a Turkish security official said, "fears Iran's triumph in Syria or Iraq will embolden it to step further into our turf". An Iranian national security official expressed concern over Turkish muscle-flexing, saying, without apparent irony considering Iran's role in Iraq and Syria: "Once you change regimes or the demographic compositions of other countries by sending your tanks across the border, you empty the notion of state sovereignty of any meaning".<sup>44</sup>

The looming U.S. transition is another incentive for Turkey and Iran to create as many facts on the ground as possible before a new administration sets its Iraq and Syria policies. This may explain the Russian-Iranian-Syrian push to subdue east Aleppo and Turkey's attempt to establish a de facto safe zone in northern Syria. Equally important may be the domestic appeal of bold nationalistic rhetoric in the run-up to

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"it is Iran that does not want Turkish participation in the Mosul battle. But it does not say it openly. Instead it pushes the Iraqi government to say it". *Asharq al-Awsat*, 2 November 2016.

<sup>40</sup> "Tal Afar will be the cemetery of Turkish soldiers should Turkey attempt to take part in the battle", Hadi al-Ameri, head of the Badr Organisation and a Hashd al-Shaabi leader said. Quoted in Mustafa Saadoun, "Iran, Turkey fight over Tal Afar", *Al-Monitor*, 18 November 2016. Erdoğan warned: "Tal Afar is a totally Turkmen city, with half Shia and half Sunni Muslims ... if Hashd al-Shaabi terrorizes the region, our response would be different". Quoted in "Erdoğan warns of Shia militia entering Iraq's Tal Afar", *Anadolu Agency*, 29 October 2016. Historically, Tel Afar has had a Turkoman population, divided fairly evenly between Sunnis and Shiites. It has not been free of Iraq's post-2003 sectarian violence, which saw Shiite Islamist parties come to power and Sunnis resort to insurgency. IS conquered it in 2014, driving out its Shiite population. Several IS commanders are, or were (until killed by U.S. strikes), Sunni Turkmen from Tel Afar.

<sup>41</sup> "Iraq-Turkey tension rises amid battle for Mosul", *Al-Jazeera*, 2 November 2016. An Iranian official tried to put distance between his and Iraq's leadership, saying that "though the Iraqi government asked Iran to side with Baghdad against Ankara ..., we decided not to interfere". Crisis Group interview, Berlin, November 2016.

<sup>42</sup> Crisis Group interviews, Turkish diplomat, Ankara, June 2016; Turkish analyst, Washington, October 2016.

<sup>43</sup> Crisis Group interviews, member, Iranian parliament foreign affairs committee; ex-member, Quds Force, both Tehran, October 2016. Two brothers close to Turkey, Osama al-Nujayfi, ex-Iraqi parliament speaker, and Atheel, ex-Ninewa governor, favour more Ninewa autonomy once IS is defeated. "Sunnis demand autonomous region for Nineveh post-IS", *Rudaw*, 29 July 2016.

<sup>44</sup> Crisis Group interviews, Istanbul, June 2016, Tehran, October 2016.

the constitutional referendum on whether to grant Erdoğan more executive powers, anticipated in mid-2017, and Iran's May presidential election.

Even if dynamics deliver short-term gains to either, they entail serious risk. More escalation could turn proxy conflicts into direct, even if inadvertent, military confrontation in northern Syria or Iraq. Even without that, cross-regional alliances involving ever more aggressive actors are exacerbating mistrust and deepening sectarian rifts that prolong the standoff. There is an alternative. Ankara and Tehran could de-escalate and re-energise cooperation. Officials express interest but scepticism the other would show goodwill and, more importantly, flexibility.<sup>45</sup> Iranian officials deem Turkey's approach to differences erratic or, as an Iranian diplomat put it, "a function of Erdoğan's mood and megalomania". Turks say the Iranians neither recognise Turkey's legitimate interests nor demonstrate any flexibility on key issues, such as post-Assad transition or equitable power sharing in Iraq and Syria.<sup>46</sup> Yet, both have exhibited an ability to moderate escalating tensions.<sup>47</sup>

Rivalry has exposed the limits of Turkey's and Iran's power projection instead of expanding their clout. In northern Syria, Turkey has seen the most serious threat to its national security in decades emerge: growing PYD-YPG strength, cross-border infiltration by jihadists who conduct attacks inside Turkey and arrival of nearly three million Syrian refugees.<sup>48</sup> Iran has shouldered the burden of military protection and financial support of a pivotal ally at risk, at the price of incurring the Sunni world's enmity. Inability to work together has diminished their ability to influence extra-regional partners (Russia for Iran, the U.S. for Turkey) that instead of taking their interests into account have tried to contain their aspirations.

Ultimately Turkey and Iran, as neighbours, will have to live with the outcome of the conflicts now burning around them. Any sustainable solution will require a regional power balance tolerable for both. This can only be achieved if they cooperate, rein in their proxies and recognise one another's core strategic and security interests in Syria and Iraq.

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<sup>45</sup> A Turkish security official said, "Turkey and Iran could be France and Germany ... working to stabilise the region but that requires partnership based on equality and trust". Crisis Group interview, Istanbul, June 2016. An Iranian diplomat said, "we have reached out to Turkey on regional issues more than to any other government ... but have almost nothing to show ... to sceptics who believe compromise with Erdoğan is impossible". Crisis Group interview, Tehran, September 2016.

<sup>46</sup> Crisis Group interview, Tehran, July 2016. For an example of Turkish turnabouts, see "Syrian rebels stunned as Turkey signals normalisation of Damascus relations", *Guardian*, 13 July 2016; "Turkey: Assad can be part of transition in Syria", Associated Press, 20 August 2016. Crisis Group interviews, Turkish diplomat, Ankara, June 2016; Turkish foreign policy experts, Ankara, August 2016. A senior Turkish diplomat complained: "The Iranians use the same tired arguments and maximalist goals they did five years ago. They invite us to focus on fighting terrorism as a way of utilising Turkish influence to restore the status quo ante, with Assad in full control of Syria. I understand what they want, but where is their give?" Crisis Group interview, Ankara, April 2016.

<sup>47</sup> A Turkish academic called Turkey's handling of the April 2016 Organisation of Islamic Cooperation summit in Istanbul a case in point: "Turkey sided with Saudi Arabia in condemning Iran's meddling ... but then went out of its way in welcoming President Rouhani in Ankara the next day". Crisis Group interview, Istanbul, 11 May 2016. Scott Peterson, "Despite deep divides over Syria, Turkey rolls out the welcome mat for Iran", *Christian Science Monitor*, 14 April 2016. Each has offered to mediate the other's regional conflicts. "Turkey says ready to help calm Saudi Arabia-Iran tensions", Agence France-Presse, 5 January 2016; "Leader's top aide: Iran ready to mediate between Turkey, Iraq", Fars News, 30 October 2016.

<sup>48</sup> Crisis Group Europe Report N°241, *Turkey's Refugee Crisis: The Politics of Permanence*, 30 November 2016.

#### IV. Conclusion

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Today's geostrategic competition between Turkey and Iran is the latest iteration of an old power game, but with an increasingly ominous twist as they warily eye each other's moves in Iraq and Syria, prime their proxies and, in Turkey's case, prepare to escalate direct military involvement. How the two choose to deploy their power, with whom they align and whether they can manage or overcome their differences is vitally important not only to them, but also to their neighbours and other states with a stake in the Middle East. Among the actors involved in the region's wars, however, no two are more suited to identify ways toward renewed mutual accommodation than Turkey and Iran. They have extensive communication channels and long experience in striking geostrategic deals, engage in intensive trade and importantly share a core interest in preserving their neighbours' territorial integrity.

As the region's conflicts worsen, the future becomes more unpredictable, with no actor insulated from potential harm. Today's seductive opportunities may become tomorrow's smothering traps. It should be an interest of those that have the ability, maturity and long history of peaceful relations not to allow themselves to be sucked further into an uncertain future but to agree to a critical course correction that, while not settling all conflicts, could at least help lessen overall tensions.

To do so, as a pressing priority, they should establish a channel for continuous high-level negotiations over their regional postures. The pace of such meetings as have been held has been problematic: periodic senior encounters lasting one or two days, followed by relatively long periods of diplomatic vacuum that tend to be filled with escalation of proxy wars and one-upmanship. President Erdoğan and Supreme Leader Khamenei should designate personal representatives with the authority to manage the diplomatic channel.<sup>49</sup> This could allow Ankara and Tehran to go beyond merely managing differences – with the risks of accidents, miscalculations and miscommunications this entails – and frankly acknowledge one another's interests and security concerns in their shared neighbourhood. Without such a strategic understanding, piecemeal transactional arrangements will not yield the desired results, as progress on one issue could be neutralised by setbacks elsewhere.<sup>50</sup>

The U.S. and Russia should adopt a coherent, supportive approach toward the two regional powers and their conflicting aspirations for primacy, pressing their respective allies to take steps that can help avoid an escalation that would be in neither Russian nor U.S. interests.

In sum, Turkey and Iran need to set in motion a virtuous dynamic that, by enabling negotiation of a sustainable *modus vivendi*, could stabilise their relationship and start reducing the flames burning in the region. This requires difficult reciprocal concessions and confidence-building steps but would protect their interests far

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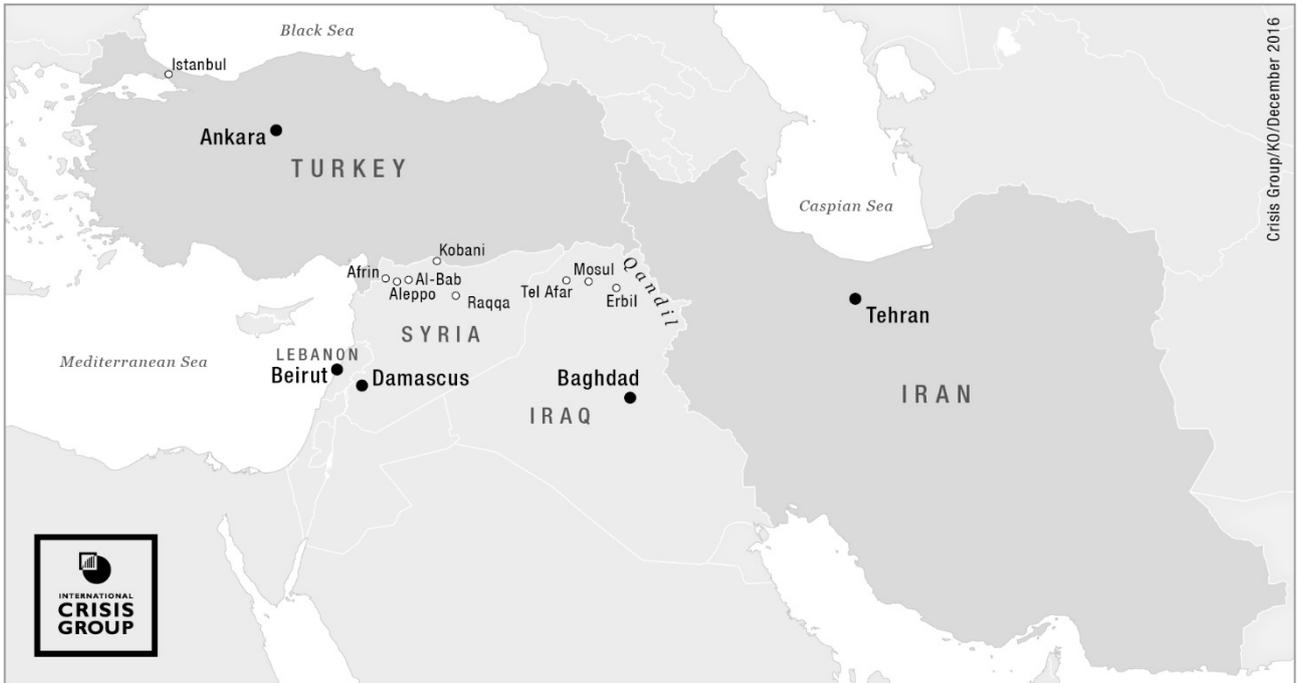
<sup>49</sup> Diplomats on both sides expressed scepticism about whether their counterparts have the authority to negotiate on behalf of their governments. They seem to believe that only officials in the two leaders' inner circles can deliver. Crisis Group interviews, Iranian and Turkish officials, Ankara, April-June 2016.

<sup>50</sup> For instance, in 2015, Turkey facilitated talks between Iran and the Turkish-backed rebel group Ahrar al-Sham in Syria, which led to a rare population swap agreement between the rebel-controlled village of Zabadani, besieged by the government, and Fuaa and Kefraya, pro-regime villages surrounded by rebels. The exchange did little to help de-escalate the wider conflict. Nour Samaha, "Besieged Syria rebels evacuated in rare deal", Al Jazeera, 28 December 2015.

better than continuation of a highly unstable and unpredictable status quo or, worse still, escalation and direct military confrontation.

**Istanbul/Tehran/Brussels, 13 December 2016**

Appendix A: Map of Iran and Turkey in the Region





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